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13 UNITED STATES DISTRICT COURT
14 NORTHERN DISTRICT OF CALIFORNIA
15 SAN JOSE DIVISION

16 SECURITIES AND EXCHANGE
17 COMMISSION,

18 Plaintiff,

19 vs.

20 MARK LESLIE, et al.,

21 Defendants.

Civil Action No. C 07-3444 JF

**SECOND SUPPLEMENTAL JOINT
CASE MANAGEMENT STATEMENT**

Date: June 27, 2008

Time: 10:30 a.m.

Location: Courtroom 3, 5th Floor
Hon. Jeremy Fogel

22 Pursuant to the Northern District of California Civil Local Rule 16-10(d), plaintiff Securities
23 and Exchange Commission (the "Commission") and defendants Mark Leslie, Kenneth E. Lonchar,
24 and Paul A. Sallaberry certified that they met and conferred at least 10 days prior to June 27, 2008
25 Case management Conference before this Court, and respectfully submit this Second Supplemental
26 Joint Case Management Statement.

DESCRIPTION OF SUBSEQUENT CASE DEVELOPMENTS SINCE MARCH 21, 2008

Since the last Case Management Conference on March 21, 2008, two reportable events occurred: (1) on May 6, 2008, the Court (Magistrate Judge Trumbull) issued an order establishing discovery protocol; and (2) on May 21, 2008, the Court (Magistrate Judge Spero) held a settlement conference, which did not result in any settlement. Otherwise, discovery is progressing.

1. Jurisdiction and Service:

There is no reportable change regarding this section.

2. Facts:

There is no reportable change regarding this section.

3. Legal Issues:

There is no reportable change regarding this section.

4. Motions:

There is no reportable change regarding this section.

5. Amendment of Pleadings:

There is no reportable change regarding this section.

6. Evidence Preservation:

There is no reportable change regarding this section.

7. Disclosures:

There is no reportable change regarding this section.

8. Discovery:

By order of March 21, 2008, this Court adopted the parties' proposed discovery schedule as set forth in the Supplemental Joint Case Management Statement filed on March 7, 2008. By Order of May 6, 2008, the Court (Magistrate Judge Trumbull) resolved the discovery issues set forth in the parties' March 7, 2008 Supplemental Joint Case Management Statement as follows:

1 a. Without further leave of the Court, the SEC may notice up to 50
2 fact depositions, and defendants Mark Leslie, Kenneth Lonchar, and Paul Sallaberry (cumulatively,
3 "defendants") may cumulatively notice up to 60 fact depositions.

4 b. Without further leave of the Court pursuant to Fed. R. Civ. P.
5 30(d)(1), the SEC may notice up to twenty fact depositions to exceed seven hours and defendants
6 may each notice up to ten fact depositions to exceed seven hours.

7 c. The party noticing the deposition shall be allotted up to one half
8 of the deposition time for each fact deposition. The remaining deposition time will be shared by the
9 other parties, except that the SEC shall be entitled to up to 90 minutes of deposition time for all fact
10 depositions that it does not notice or cross-notice. Counsel for the parties shall reasonably
11 accommodate each other in the event that counsel for a party requests to exceed his or her allotted
12 time. In those depositions that are cross-noticed by the SEC or a defendant, the parties shall
13 cooperate with each other in advance of the deposition to allocate deposition time and to determine
14 the order in which parties shall conduct the examination.
15

16 d. The SEC is permitted to serve up to 90 interrogatories, and the
17 defendants cumulatively are permitted to serve up to 180 interrogatories.
18

19 e. The SEC is permitted to serve up to 180 requests for admissions,
20 and the defendants cumulatively are permitted to serve up to 270 requests for admissions.
21

22 f. Any party seeking modification of Judge Trumbull's May 6, 2008
23 Order shall seek leave of the Court.
24

25 **Plaintiff's Statement:** The SEC's substantial document productions to the defense will be
26 completed before the June 27, 2008 Case Management Conference.
27
28

Defendants' Statement: The parties have exchanged discovery requests. Counsel for Defendants have separately met and conferred with the SEC on the adequacy of the SEC's responses and production. Several issues remain open, which the parties are seeking to resolve, including the production by the SEC of a privilege log and FBI 302 reports, and confirmation by the SEC that its discovery production is complete.

9. Class Actions:

There is no reportable change regarding this section.

10. Related Cases:

There is no reportable change regarding this section.

11. Relief:

There is no reportable change regarding this section.

12. Settlement and ADR:

As noted above, the parties participated in a settlement conference with Magistrate Judge Spero on May 21, 2008. The case did not settle.

13. Consent to Magistrate Judge For All Purposes:

There is no reportable change regarding this section.

14. Other References:

There is no reportable change regarding this section.

15. Narrowing of Issues:

There is no reportable change regarding this section.

16. Expedited Schedule:

There is no reportable change regarding this section.

17. Scheduling:

The Court has adopted (except as noted herein) the parties' proposed discovery schedule, as set forth in the March 7, 2008 Supplemental Joint Case Management Statement at 3, on March 21, 2008. At the March 21, 2008 Case management Conference, the Court also set a jury trial for

December 4, 2009 and pretrial conference for November 20, 2009. In addition, the dispositive motion cut-off is May 14, 2009.

18. Trial:

There is no reportable change regarding this section, except that the trial date has been set (*see above*).

19. Disclosure of Non-party Interested Entities or Persons:

There is no reportable change regarding this section.

20. Other Matters:

There is no reportable change regarding this section.

Respectfully submitted,

Dated: June 13, 2008

/s/ Richard Hong

Richard Hong
Counsel for Plaintiff Securities and Exchange
Commission

Dated: June 13, 2008

/s/ with permission

William P. Keane
Anthony Schoenberg
Counsel for defendant Mark Leslie

Dated: June 13, 2008

/s/ with permission

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